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STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS
COMMERCE COMMISSION

2003 MAY 21 P 3:53

IN THE MATTER OF)
)
CONSUMERS GAS COMPANY)
)
Petition Pursuant to Section 7-101 of The)
Public Utilities Act Seeking Authority to Enter)
a Gas Storage Contract and a Gas Sales)
Agreement in Which an Affiliated Interest Exists.)

CHIEF CLERK'S OFFICE

NO.

03-0349

PETITION

To the Illinois Commerce Commission:

1. Petitioner, CONSUMERS GAS COMPANY, respectfully shows that it is a corporation duly organized and existing under the laws of Illinois and is engaged in the distribution and sale of natural gas to the public in the State of Illinois (hereafter "Petitioner" or "Consumers"). Consumers serves approximately 6,000 customers, counting the Shawneetown and Equality, Illinois, municipal systems each as one customer, in southeastern Illinois.

2. Consumers is a public utility within the meaning of an Act entitled, "The Public Utilities Act" (the "Act"), now in force in Illinois and is subject to the jurisdiction of this Commission.

3. Egyptian Gas Storage Corporation is an Illinois corporation which, in part, owns and operates the Mills Storage Field in Gallatin County, Illinois (hereafter "Egyptian").

4. Petitioner has had a Gas Storage Contract with Egyptian, under authority granted by this Commission in Docket No. 97-0339, since May 1, 1998. The cost of storage and any

related transportation charges have, since May 1, 1998, been included within the cost of gas of Petitioner, which cost has been a part of Petitioner's annual purchased gas adjustment ("PGA") clause reconciliation proceedings. The Commission order, in each PGA proceeding from 1/1/99 to date have found Petitioner's gas purchases to have been prudently made.

5. Petitioner has had a Gas Sales Agreement in effect with Egyptian, under authority granted by this Commission in Docket No. 97-0338, since May 1, 1998. The cost of gas purchases from Egyptian have, since May 1, 1998, been a part of the cost of gas of Petitioner, which cost has been a part of Petitioner's annual PGA reconciliation proceedings. The Commission order, in each PGA proceeding from 1/1/99 to date have found Petitioner's gas purchases to have been prudently made.

6. A copy of the Gas Storage Contract which Petitioner seeks authority to enter with Egyptian is attached hereto as Exhibit "A" and fully incorporated by this reference. Exhibit "A" is substantially identical to the contract authorized by this Commission in Docket No. 97-0339.

7. A copy of the Gas Sales Agreement which Petitioner seeks authority to enter with Egyptian is attached hereto as Exhibit "B" and fully incorporated by this reference. Exhibit "B" is substantially identical to the contract approved by this Commission in Docket No. 97-0338.

8. Item 10 of Exhibit A refers to a six inch (6") and four inch (4") gas line extending 16 miles from Consumers' Carmi Border Station in White County, Illinois, to the Mills

extending 16 miles from Consumers' Carmi Border Station in White County, Illinois, to the Mills Storage Field and recites that the line is used to service farm taps along that line and the Village of New Haven, Illinois. The farm taps are forty-four (44) in number and there are 200 homes in the Village of New Haven served by the described line. Egyptian has assured Petitioner that it will, during the term of this Agreement, guarantee service to Consumers customers served by the described line.

9. Petitioner estimated, in the Petition filed in Docket No. 97-0339, that it would cost approximately \$172,000 to construct and install a sufficient gas line to replace the described line owned by Egyptian but such cost, which would now be more than \$172,000, would not be in the best interests of Consumers' customers. Consumers' customers are best benefitted by the continued operation of the Egyptian line by Egyptian and the payment of the transportation charges referred to in Item 2 of attached Exhibit "A".

10. The ownership and officers of Consumers and Egyptian are such that an affiliated interest exists as defined in Section 7-101 of the Public Utilities Act.

11. The Gas Storage Contract and Gas Sales Agreement, which Petitioner seeks to enter with Egyptian, are in the public interest and the execution of same should be authorized.

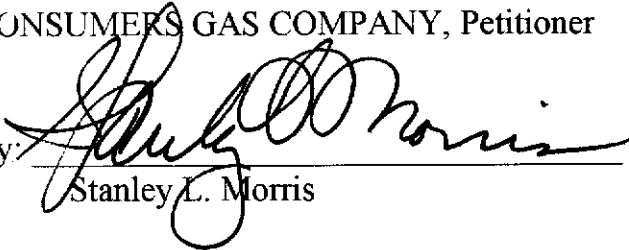
WHEREFORE, all for the reasons stated above, Consumers Gas Company prays for authority to enter a Gas Storage Contract and a Gas Sales Agreement with Egyptian Gas Storage Corporation in which an affiliated interest exists as defined under Section 7-101 of

the Public Utilities Act.

Respectfully submitted,

CONSUMERS GAS COMPANY, Petitioner

By:

A handwritten signature in cursive script, appearing to read "Stanley L. Morris", written over a horizontal line.

Stanley L. Morris

Stanley L. Morris, No. 6184790
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STATE OF INDIANA)
) SS
COUNTY OF VANDERBURGH)


VERIFICATION

C. A. ROBINSON, being first duly sworn, deposes and says that he is the President of Consumers Gas Company; that he has read the foregoing Petition; that the facts and matters set forth therein are true to the best of his knowledge and belief; that he is authorized to execute this Verification on behalf of Consumers Gas Company.



C. A. ROBINSON

Subscribed and sworn to before me, a Notary Public, this 16th day of _____
May, 2003.



Constance D. Warren, Notary Public

My commission expires June 21, 2007